

Performance audit

Summary of ESSB 6839 performance audits and future transportation audits

Washington State Transportation Commission
WSDOT Headquarters- Commission Board Room

July 15, 2008

9:00 a.m.

Presented by

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WASHINGTON
BRIAN SONNTAG
—STATE AUDITOR—

ESSB 6839 Background

- The Washington Legislature passed Engrossed Substitute Senate Bill 6839 in 2006.
 - The legislation required the Auditor's Office to hire contractors to conduct performance audits of transportation-related agencies in Washington.
 - The measure funded the performance audits at \$4 million through June 30, 2007.



Audit Selection

- Based on citizen feedback and our own research, we chose four audits at the Department of Transportation:
 - Washington State Ferries
 - Managing and Reducing Congestion in the Puget Sound
 - Washington Department of Transportation Administration and Overhead
 - Washington Department of Transportation Highway Maintenance and Construction Management



Outreach Results

- Washington State Department of Transportation performance ratings:
 - 15% said it is effective; 30% said ineffective
 - 5% said it is efficient; 54% said inefficient
 - 6% said it is accountable; 57% said unaccountable
- Department's priorities performance ratings
 - Traffic congestion: 63% poor
 - Traffic Safety: 56% uncertain
 - Roadway condition: 54% uncertain
 - Freight mobility: 62% uncertain
 - Public transportation: 49% uncertain
- Easing congestion top transportation priority
 - 6 in 10 chose it from a list of five priorities
 - 2 in 3 rate system "poor" in regard to congestion

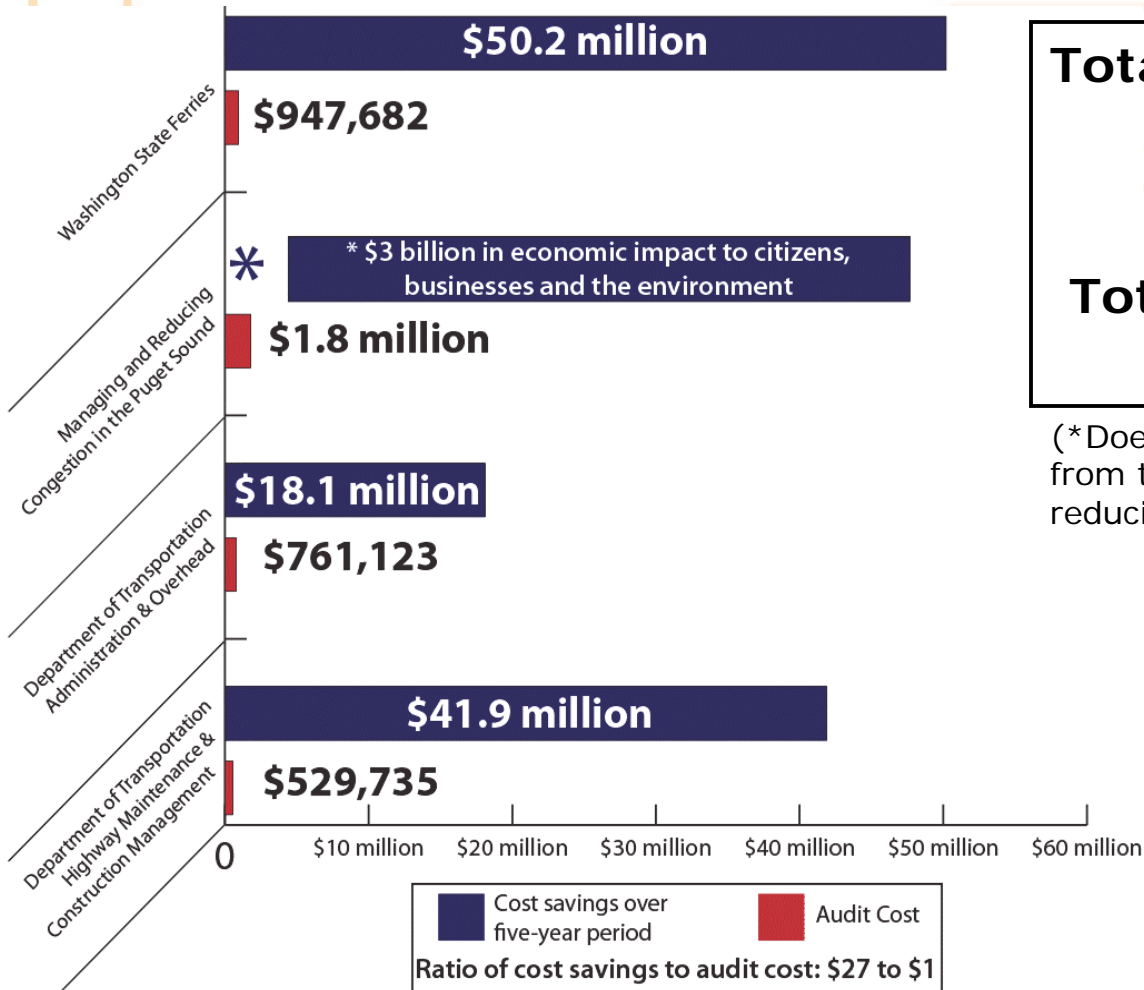


Audit Summaries

**Total ESSB 6839 cost savings:
\$110.2 million***

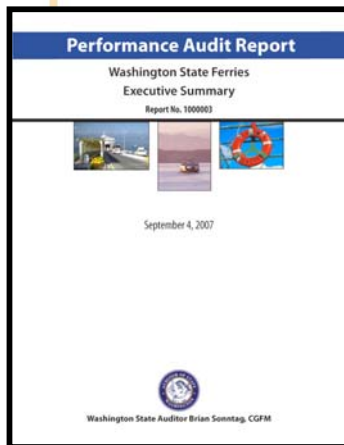
**Total ESSB 6839 audit costs:
\$4 million**

(*Does not include \$3 billion in economic impact from the performance audit on managing and reducing congestion in the Puget Sound.)



WSDOT

Washington State Ferries



Identified potential savings: \$50.2 million over five years

Audit cost: \$947,682

Findings and recommendations: Found inadequate number of managers to supervise staff and other weaknesses. Identified savings related to overtime and indirect charges at the system's main maintenance facility. Recommended standardizing business practices across the system and consolidating low-ridership ferry runs to achieve significant savings in fuel and operating costs.

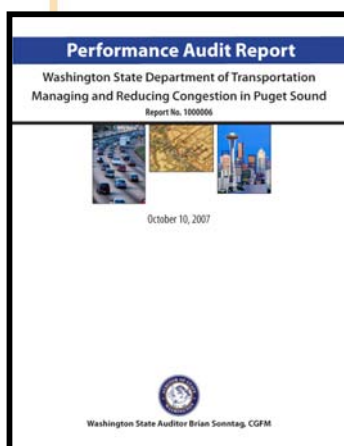
Issue date: September 4, 2007

Contractors: Ernst & Young and Amble Consulting



WSDOT

Congestion Management



Identified potential benefit: \$3 billion over five years in economic impact to citizens and businesses as well as environmental impacts

Audit cost: \$1.6 million

Findings and recommendations: Found the Department does not consider reducing congestion a priority in planning transportation improvements. Concluded that congestion could be reduced 20 percent by carrying out several near-term measures at little or no cost. Identified long-term investments to significantly reduce congestion.

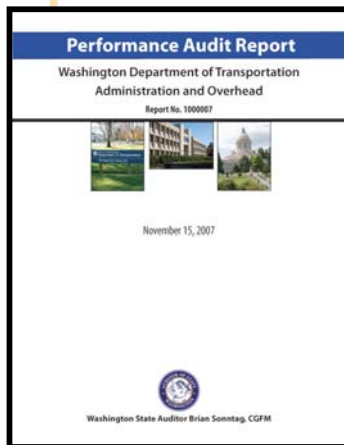
Issue date: October 10, 2007

Contractors: TKW, Plan B Consultancy and Delcan Corp.



WSDOT

Administration & Overhead



Identified potential savings: \$18.1 million over five years

Audit cost: \$672,833

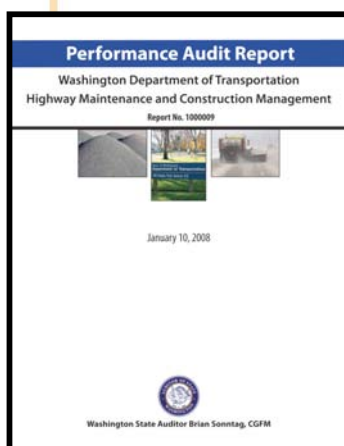
Findings and recommendations: Found inefficient, decentralized and inconsistent systems and practices in various administrative functions. Recommended centralizing functional areas as well as major upgrades in programs.

Issue date: November 15, 2007

Contractor: Ernst & Young



WSDOT Highway Maintenance & Construction Management



Identified savings and unnecessary costs:
\$41.9 million

Audit cost: \$438,130

Findings and recommendations: Found that while DOT follows several industry best practices, it has opportunities to improve inventory and supply management, purchase of hot-mix asphalt and construction management practices. Made 34 recommendations calling for improved oversight of inventory management and tracking project costs.

Issue date: January 10, 2008

Contractors: TKW, Plan B Consultancy and Trans Tech Management



Future Transportation Audits

- Risk-based approach
 - Assess all functions and programs at WSDOT
 - Conduct citizen outreach
 - Prioritize audits based on risk assessment and citizen concerns
 - Ferries Division will be prioritized separately
 - Follow up on prior audits



Interested Agencies

- Virginia
- Idaho
- U.S. Department of Transportation



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